REMARKS

Claims 15-18 are pending in the present application. Claims 1-14 have been cancelled, without prejudice. New claims 15-18 have been added in this response. No new matter has been introduced as a result of the amendments.

Claims 1, 6, and 11-14 were rejected under 35 U.S.C. §102(e) as being anticipated by *Burgmeier* (US Patent 6,577,696). Claims 2-5 and 7-10 were rejected under 35 U.S.C. §103(a) as being unpatentable over *Burgmeier* (US Patent 6,577,696) in view of *Bendak* (US Patent 6,715,113). Applicants respectfully traverse these rejections.

Specifically, the cited art, alone or in combination, does not disclose "adjusting the threshold according to the evaluating step to achieve the optimum ratio of the number of 1-bits detected as erroneous and the number of 0-bits detected as erroneous" and "adjusting the phase of the sampling clock signal such that the number of bits detected as erroneous before and after the transition between the binary states are substantially the same" as recited in new claim 15, and similarly recited in new claim 18 (recited as correction/control signals).

Burgmeir merely discloses a system and method for monitoring a transmission error rate and provisionally shifts the phase of the sampling clock signal or threshold and subsequently determine if the error rate becomes higher or lower. If the error rate becomes lower from a previous position, the shift of sampling time continues in one direction; if the error rate becomes higher, the shift of sampling time goes in the other direction (col. 4, lines 5-37). In other words, the shifting or *Burgmeir* uses a "trial and error" sequence to make adjustments. In contrast, claims 15 and 18 recite control signals (i.e., according to the evaluating step) to adjust thresholds. Furthermore, *Burgmeir* is silent regarding the feature detecting the number of bits as erroneous before and after the transition between the binary states.

Similarly, *Bendak* fails to teach these features as well – in fact *Bendak* does not even address phase correction in the entire disclosure. In col. 6, lines 1-5, *Bendak* discloses adjusting the signal swing bias, however this has nothing to do with the phase of the signal.

In light of the above, Applicants respectfully submit that claims 15-18 are both novel and non-obvious over the art of record. Applicants respectfully request that a timely Notice of Allowance be issued in this case. If any additional fees are due in connection with this application as a whole, the Examiner is authorized to deduct such fees from deposit account no.

02-1818. If such a deduction is made, please indicate the attorney docket no. (0112740-538) on the account statement.

Respectfully submitted,

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